

State of South Carolina



Office of the State Auditor

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COLUMBIA, S.C. 29201

THOMAS L. WAGNER, JR., CPA  
STATE AUDITOR

(803) 253-4160  
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March 26, 2002

Mr. John Twitty, Controller  
Health Management Resources  
101 Grace Drive  
Easley, South Carolina 29640-9088

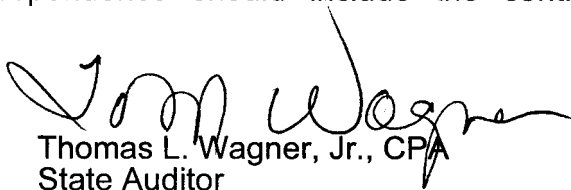
Re: AC# 3-CAR-A9 – Carriage Hills Plantation and Rehabilitation Center, Inc.

Dear Mr. Twitty:

The accompanying report has been prepared by our office based on your Medicaid Financial and Statistical Report submitted to the Department of Health and Human Services for the cost report period July 8, 1998 through January 31, 1999. That report was used to set the rate covering the contract periods beginning July 8, 1998.

We are recommending that the Department of Health and Human Services certify an accounts receivable to recover amounts due as a result of the rate changes shown on Exhibit A. You will be notified of repayment terms by that Agency.

If you take exception to this report in any manner, you have the right to appeal in accordance with the Code of Laws of South Carolina, 1976 as amended, Title 44, and Department of Health and Human Services Regulation R.126-150, and you must respond in writing within thirty (30) calendar days of the date of this letter. This written response must address the specific items in the report being appealed, and must be directed to the Appeals and Hearings, Department of Health and Human Services, Post Office Box 8206, Columbia, South Carolina 29202-8206. Any correspondence should include the control number appearing on Exhibit A of this report.

  
Thomas L. Wagner, Jr., CPA  
State Auditor

TLWjr/kss

cc: Ms. Brenda L. Hyleman  
Mr. Jeff Saxon  
Mr. Joseph Hayes

**CARRIAGE HILLS PLANTATION  
AND REHABILITATION CENTER, INC.  
NEW ELLENTON, SOUTH CAROLINA**

**CONTRACT PERIODS  
BEGINNING JULY 8, 1998  
AC# 3-CAR-A9**

**REPORT ON CONTRACT  
FOR  
PURCHASE OF NURSING CARE SERVICES  
WITH  
STATE OF SOUTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

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# State of South Carolina



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### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

May 10, 2001

Department of Health and Human Services  
State of South Carolina  
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Department of Health and Human Services, solely to compute the rate change and related adjusted reimbursement rate to be used by the Department in determining the reimbursement settlement with Carriage Hills Plantation and Rehabilitation Center, Inc., for the contract periods beginning July 8, 1998, and for the six month cost report period ended January 31, 1999, as set forth in the accompanying schedules. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Department of Health and Human Services. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

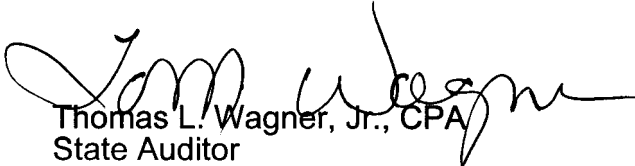
The procedures and the associated findings are as follows:

1. We tested selected costs or areas based on our analytical procedures applied to the reimbursable Medicaid program costs as shown on the Financial and Statistical Report for Nursing Homes, as filed by Carriage Hills Plantation and Rehabilitation Center, Inc., to determine if these costs were allowable as defined by the State Plan for Medicaid reimbursement purposes and supported by accounting and statistical records maintained by the provider. Our findings as a result of these procedures are presented in the Adjustment Report, Summaries of Costs and Total Patient Days, and Cost of Capital Reimbursement Analyses sections of this report.
2. We recomputed the Computation of Reimbursement Rate using the adjusted costs and calculated the rate change in accordance with the provisions of the contract between the Department of Health and Human Services and Carriage Hills Plantation and Rehabilitation Center, Inc. dated as of July 8, 1998 as amended. Our findings as a result of these procedures are presented in the Computation of Rate Change and Computations of Adjusted Reimbursement Rate sections of this report.

Department of Health and Human Services  
State of South Carolina  
May 10, 2001

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the South Carolina Department of Health and Human Services and is not intended to be and should not be used by anyone other than the specified party.



Thomas L. Wagner, Jr., CPA  
State Auditor

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Computation of Rate Change  
For the Contract Periods  
Beginning July 8, 1998  
AC# 3-CAR-A9

	07/08/98 <u>09/30/98</u>	10/01/98 <u>11/30/98</u>	12/01/98 <u>01/31/99</u>	02/01/99 <u>09/30/99</u>	10/01/99 <u>09/30/00</u>
Interim reimbursement rate (1)	\$113.51	\$115.68	\$116.43	\$102.53	\$106.33
Adjusted reimbursement rate	<u>112.75</u>	<u>114.92</u>	<u>115.67</u>	<u>101.73</u>	<u>105.54</u>
Decrease in reimbursement rate	\$ <u>____.76</u>	\$ <u>____.76</u>	\$ <u>____.76</u>	\$ <u>____.80</u>	\$ <u>____.79</u>

(1) Interim reimbursement rate from the South Carolina Medicaid Management Information System (MMIS) Provider Rate Listing dated December 19, 2000

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**  
Computation of Adjusted Reimbursement Rate  
For the Contract Period July 8, 1998 Through September 30, 1998  
AC# 3-CAR-A9

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$ 55.18	\$57.71	
Dietary		11.76	12.77	
Laundry/Housekeeping/Maint.		<u>9.75</u>	<u>9.11</u>	
Subtotal	<u>\$2.90</u>	76.69	79.59	\$ 76.69
Administration & Med. Records	<u>\$ -</u>	<u>15.92</u>	<u>10.96</u>	<u>10.96</u>
Subtotal		92.61	<u>\$90.55</u>	87.65
<u>Costs Not Subject to Standards:</u>				
Utilities		4.87		4.87
Special Services		1.82		1.82
Medical Supplies & Oxygen		3.18		3.18
Taxes and Insurance		1.62		1.62
Legal Fees		<u>.01</u>		<u>.01</u>
<b>TOTAL</b>		<u>\$104.11</u>		99.15
Inflation Factor (N/A)				-
Cost of Capital				11.35
Cost of Capital Limitation				-
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive				2.90
Effect of \$1.75 Cap on Cost/Profit Incentives				(1.15)
Minimum Wage Add-on				<u>.50</u>
 ADJUSTED REIMBURSEMENT RATE				 <u>\$112.75</u>



**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**  
Computation of Adjusted Reimbursement Rate  
For the Contract Period October 1, 1998 Through November 30, 1998  
AC# 3-CAR-A9

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$ 55.18	\$57.35	
Dietary		11.76	12.60	
Laundry/Housekeeping/Maint.		<u>9.75</u>	<u>9.51</u>	
Subtotal	<u>\$2.77</u>	76.69	79.46	\$ 76.69
Administration & Med. Records	<u>\$ -</u>	<u>15.92</u>	<u>13.47</u>	<u>13.47</u>
Subtotal		92.61	<u>\$92.93</u>	90.16
<u>Costs Not Subject to Standards:</u>				
Utilities		4.87		4.87
Special Services		1.82		1.82
Medical Supplies & Oxygen		3.18		3.18
Taxes and Insurance		1.62		1.62
Legal Fees		<u>.01</u>		<u>.01</u>
<b>TOTAL</b>		<u>\$104.11</u>		101.66
Inflation Factor (N/A)				-
Cost of Capital				11.26
Cost of Capital Limitation				-
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive				2.77
Effect of \$1.75 Cap on Cost/Profit Incentives				(1.02)
Minimum Wage Add-On				<u>.25</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$114.92</u>

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**  
Computation of Adjusted Reimbursement Rate  
For the Contract Period December 1, 1998 Through January 31, 1999  
AC# 3-CAR-A9

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$ 55.18	\$57.35	
Dietary		11.76	12.60	
Laundry/Housekeeping/Maint.		<u>9.75</u>	<u>9.51</u>	
Subtotal	<u>\$2.77</u>	76.69	79.46	\$ 76.69
Administration & Med. Records	<u>\$ -</u>	<u>15.92</u>	<u>13.47</u>	<u>13.47</u>
Subtotal		92.61	<u>\$92.93</u>	90.16
<u>Costs Not Subject to Standards:</u>				
Utilities		4.87		4.87
Special Services		1.82		1.82
Medical Supplies & Oxygen		3.18		3.18
Taxes and Insurance		1.62		1.62
Legal Fees		<u>.01</u>		<u>.01</u>
<b>TOTAL</b>		<u>\$104.11</u>		101.66
Inflation Factor (N/A)				-
Cost of Capital				11.26
Cost of Capital Limitation				-
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive				2.77
Effect of \$1.75 Cap on Cost/Profit Incentives				(1.02)
CNA Add-On				.75
Minimum Wage Add On				<u>.25</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$115.67</u>

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Computation of Adjusted Reimbursement Rate  
For the Contract Periods February 1, 1999 Through September 30, 1999  
AC# 3-CAR-A9

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$49.72	\$47.40	
Dietary		10.60	10.41	
Laundry/Housekeeping/Maint.		<u>8.78</u>	<u>7.86</u>	
Subtotal	\$ <u>-</u>	69.10	65.67	\$ 65.67
Administration & Med. Records	\$ <u>-</u>	<u>14.35</u>	<u>11.13</u>	<u>11.13</u>
Subtotal		83.45	<u>\$76.80</u>	76.80
<u>Costs Not Subject to Standards:</u>				
Utilities		4.39		4.39
Special Services		1.81		1.81
Medical Supplies & Oxygen		2.97		2.97
Taxes and Insurance		1.46		1.46
Legal Fees		<u>.01</u>		<u>.01</u>
<b>TOTAL</b>		<u>\$94.09</u>		87.44
Inflation Factor (3.60%)				3.15
Cost of Capital				10.14
Cost of Capital Limitation				-
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive				-
Effect of \$1.75 Cap on Cost/Profit Incentives				-
CNA Add-On				.75
Minimum Wage Add On				<u>.25</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$101.73</u>

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**  
Computation of Adjusted Reimbursement Rate  
For the Contract Period October 1, 1999 Through September 30, 2000  
AC# 3-CAR-A9

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$49.72	\$47.67	
Dietary		10.60	11.42	
Laundry/Housekeeping/Maint.		<u>8.78</u>	<u>8.77</u>	
Subtotal	\$ <u>-</u>	69.10	67.86	\$ 67.86
Administration & Med. Records	\$ <u>-</u>	<u>14.35</u>	<u>12.21</u>	<u>12.21</u>
Subtotal		83.45	<u>\$80.07</u>	80.07
<u>Costs Not Subject to Standards:</u>				
Utilities		4.39		4.39
Special Services		1.81		1.81
Medical Supplies & Oxygen		2.97		2.97
Taxes and Insurance		1.46		1.46
Legal Fees		<u>.01</u>		<u>.01</u>
<b>TOTAL</b>		<u>\$94.09</u>		90.71
Inflation Factor (3.00%)				2.72
Cost of Capital				9.94
Cost of Capital Limitation				-
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive				-
Effect of \$1.75 Cap on Cost/Profit Incentives				-
CNA Add-On				.75
Nurse Aide Staffing Add On				<u>1.42</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$105.54</u>

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended January 31, 1999  
 For the Contract Period July 8, 1998 Through September 30, 1998  
 AC# 3-CAR-A9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$524,236	\$2,104 (1) 5,071 (3) 171 (3)	\$1,089 (1)	\$530,493
Dietary	112,177	194 (1) 719 (3)	-	113,090
Laundry	14,400	6 (3)	-	14,406
Housekeeping	49,729	5 (3)	-	49,734
Maintenance	29,470	117 (3)	47 (1)	29,540
Administration & Medical Records	149,344	1 (1) 344 (1) 624 (3) 408 (3) 2,343 (4)	-	153,064
Utilities	48,980	-	2,122 (6)	46,858
Special Services	20,858	-	3,410 (10)	17,448
Medical Supplies & Oxygen	40,215	1 (1)	294 (3) 2,343 (4) 2,574 (5) 3,670 (8) 727 (10)	30,608
Taxes and Insurance	11,434	4,169 (7)	-	15,603
Legal Fees	101	-	-	101

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended January 31, 1999  
For the Contract Period July 8, 1998 Through September 30, 1998  
AC# 3-CAR-A9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		Adjusted Totals
		<u>Debit</u>	<u>Credit</u>	
Cost of Capital	109,366	1,248 (13) <u>413 (17)</u>	1,872 (12) <u>69 (14)</u>	109,086
Subtotal	1,110,310	17,938	18,217	1,110,031
Ancillary	83,631	-	-	83,631
Non-Allowable	468,532	2,574 (5) 2,122 (6) 3,670 (8) 4,137 (10) <u>69 (14)</u>	6,827 (3) 4,169 (7) 1,248 (13) 413 (17)	468,447
Total Operating Expenses	<u>\$1,662,473</u>	<u>\$30,510</u>	<u>\$30,874</u>	<u>\$1,662,109</u>
Total Patient Days	<u>9,581</u>	<u>32 (2)</u>	<u>-</u>	<u>9,613</u>
Total Beds	<u>57</u>			

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended January 31, 1999  
For the Contract Periods October 1, 1998 Through January 31, 1999  
AC# 3-CAR-A9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$524,236	\$2,104 (1) 5,071 (3) 171 (3)	\$1,089 (1)	\$530,493
Dietary	112,177	194 (1) 719 (3)	-	113,090
Laundry	14,400	6 (3)	-	14,406
Housekeeping	49,729	5 (3)	-	49,734
Maintenance	29,470	117 (3)	47 (1)	29,540
Administration & Medical Records	149,344	1 (1) 344 (1) 624 (3) 408 (3) 2,343 (4)	-	153,064
Utilities	48,980	-	2,122 (6)	46,858
Special Services	20,858	-	3,410 (10)	17,448
Medical Supplies & Oxygen	40,215	1 (1)	294 (3) 2,343 (4) 2,574 (5) 3,670 (8) 727 (10)	30,608
Taxes and Insurance	11,434	4,169 (7)	-	15,603
Legal Fees	101	-	-	101

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended January 31, 1999  
For the Contract Periods October 1, 1998 Through January 31, 1999  
AC# 3-CAR-A9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		Adjusted <u>Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Cost of Capital	108,485	1,248 (13) 413 (17)	1,872 (12) 66 (15)	108,208
Subtotal	1,109,429	17,938	18,214	1,109,153
Ancillary	83,631	-	-	83,631
Non-Allowable	469,413	2,574 (5) 2,122 (6) 3,670 (8) 4,137 (10) 66 (15)	6,827 (3) 4,169 (7) 1,248 (13) 413 (17)	469,325
Total Operating Expenses	<u>\$1,662,473</u>	<u>\$30,507</u>	<u>\$30,871</u>	<u>\$1,662,109</u>
Total Patient Days	<u>9,581</u>	<u>32 (2)</u>	<u>-</u>	<u>9,613</u>
Total Beds	<u>57</u>			



**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Summary of Costs and Total Patient Days

For the Cost Report Period Ended January 31, 1999

For the Contract Periods February 1, 1999 Through September 30, 1999

AC# 3-CAR-A9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	<u>Debit</u>	Adjustments <u>Credit</u>	Adjusted <u>Totals</u>
General Services	\$524,236	\$2,104 (1) 5,071 (3) 171 (3)	\$1,089 (1)	\$530,493
Dietary	112,177	194 (1) 719 (3)	-	113,090
Laundry	14,400	6 (3)	-	14,406
Housekeeping	49,729	5 (3)	-	49,734
Maintenance	29,470	117 (3)	47 (1)	29,540
Administration & Medical Records	149,344	1 (1) 344 (1) 624 (3) 408 (3) 2,343 (4)	-	153,064
Utilities	48,980	-	2,122 (6)	46,858
Special Services	20,858	-	1,501 (11)	19,357
Medical Supplies & Oxygen	40,215	1 (1)	294 (3) 2,343 (4) 2,574 (5) 2,629 (9) 727 (11)	31,649
Taxes and Insurance	11,434	4,169 (7)	-	15,603
Legal Fees	101	-	-	101

# CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.

Summary of Costs and Total Patient Days

For the Cost Report Period Ended January 31, 1999

For the Contract Periods February 1, 1999 Through September 30, 1999

AC# 3-CAR-A9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		Adjusted <u>Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Cost of Capital	108,485	1,248 (13) 413 (17)	1,872 (12) 66 (15)	108,208
Subtotal	1,109,429	17,938	15,264	1,112,103
Ancillary	83,631	-	-	83,631
Non-Allowable	469,413	2,574 (5) 2,122 (6) 2,629 (9) 2,228 (11) 66 (15)	6,827 (3) 4,169 (7) 1,248 (13) 413 (17)	466,375
Total Operating Expenses	<u>\$1,662,473</u>	<u>\$27,557</u>	<u>\$27,921</u>	<u>\$1,662,109</u>
Total Patient Days	<u>10,670</u>	<u>-</u>	<u>-</u>	<u>10,670</u>
Total Beds	<u>57</u>			

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended January 31, 1999  
For the Contract Period October 1, 1999 Through September 30, 2000  
AC# 3-CAR-A9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		Adjusted <u>Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$524,236	\$2,104 (1) 5,071 (3) 171 (3)	\$1,089 (1)	\$530,493
Dietary	112,177	194 (1) 719 (3)	-	113,090
Laundry	14,400	6 (3)	-	14,406
Housekeeping	49,729	5 (3)	-	49,734
Maintenance	29,470	117 (3)	47 (1)	29,540
Administration & Medical Records	149,344	1 (1) 344 (1) 624 (3) 408 (3) 2,343 (4)	-	153,064
Utilities	48,980	-	2,122 (6)	46,858
Special Services	20,858	-	1,501 (11)	19,357
Medical Supplies & Oxygen	40,215	1 (1)	294 (3) 2,343 (4) 2,574 (5) 2,629 (9) 727 (11)	31,649
Taxes and Insurance	11,434	4,169 (7)	-	15,603
Legal Fees	101	-	-	101

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended January 31, 1999  
For the Contract Period October 1, 1999 Through September 30, 2000  
AC# 3-CAR-A9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		Adjusted <u>Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Cost of Capital	106,308	1,248 (13) 413 (17)	1,872 (12) 63 (16)	106,034
Subtotal	1,107,252	17,938	15,261	1,109,929
Ancillary	83,631	-	-	83,631
Non-Allowable	471,590	2,574 (5) 2,122 (6) 2,629 (9) 2,228 (11) 63 (16)	6,827 (3) 4,169 (7) 1,248 (13) 413 (17)	468,549
Total Operating Expenses	<u>\$1,662,473</u>	<u>\$27,554</u>	<u>\$27,918</u>	<u>\$1,662,109</u>
Total Patient Days	<u>10,670</u>	<u>-</u>	<u>-</u>	<u>10,670</u>
Total Beds	<u>57</u>			

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Adjustment Report  
Cost Report Period Ended January 31, 1999  
AC# 3-CAR-A9

ADJUSTMENT <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
1	Medical Records	\$ 1	
	Medical Supplies	1	
	Nursing	2,104	
	Dietary	194	
	Administration	344	
	Restorative		\$1,089
	Maintenance		47
	Accrued Salaries		1,508
	To adjust ending salary accrual HIM-15-1, Section 2302.1		
2	To increase patient days by 32 days, from 9,581 to 9,613		
	State Plan, Attachment 4.19D (This adjustment applies only to the rate periods 07/08/98 - 01/31/99)		
3	Nursing	5,071	
	Restorative	171	
	Dietary	719	
	Laundry	6	
	Housekeeping	5	
	Maintenance	117	
	Administration	624	
	Medical Records	408	
	Medical Supplies		294
	Nonallowable		6,827
	To adjust fringe benefits and related allocation State Plan, Attachment 4.19D		
4	Medical Records	2,343	
	Medical Supplies		2,343
	To reclassify salary State Plan, Attachment 4.19D		
5	Nonallowable	2,574	
	Medical Supplies		2,574
	To remove expense recorded twice State Plan, Attachment 4.19D		

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Adjustment Report  
Cost Report Period Ended January 31, 1999  
AC# 3-CAR-A9

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
6	Nonallowable Utilities	2,122	2,122
	To reclassify expense to the proper cost center State Plan, Attachment 4.19D		
7	Taxes and Insurance Nonallowable	4,169	4,169
	To adjust property tax expense State Plan, Attachment 4.19D		
8	Nonallowable Medical Supplies	3,670	3,670
	To remove special (ancillary) services reimbursed by Medicare State Plan, Attachment 4.19D (This adjustment applies only to the rate periods 07/08/98 - 01/31/99)		
9	Nonallowable Medical Supplies	2,629	2,629
	To remove special (ancillary) services reimbursed by Medicare State Plan, Attachment 4.19D (This adjustment applies only to the rate periods 02/01/99 - 09/30/00)		
10	Nonallowable Medical Supplies Special Services	4,137	727 3,410
	To adjust co-insurance for Medicare Part B services State Plan, Attachment 4.19D (This adjustment applies only to the rate periods 07/08/98 - 01/31/99)		

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Adjustment Report  
Cost Report Period Ended January 31, 1999  
AC# 3-CAR-A9

ADJUSTMENT <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
11	Nonallowable	2,228	
	Medical Supplies		727
	Special Services		1,501
	To adjust co-insurance for Medicare Part B services State Plan, Attachment 4.19D (This adjustment applies only to the rate periods 02/01/99 - 09/30/00)		
12	Other Equity	63,777	
	Accumulated Depreciation		1,905
	Cost of Capital		1,872
	Fixed Assets		60,000
	To adjust fixed assets and related depreciation State Plan, Attachment 4.19D		
13	Cost of Capital	1,248	
	Nonallowable		1,248
	To adjust depreciation expense to comply with capital cost policy State Plan, Attachment 4.19D		
14	Nonallowable	69	
	Cost of Capital		69
	To adjust capital return State Plan, Attachment 4.19D (This adjustment applies only to the rate period 07/08/98 - 09/30/98)		
15	Nonallowable	66	
	Cost of Capital		66
	To adjust capital return State Plan, Attachment 4.19D (This adjustment applies only to the rate periods 10/01/98 - 09/30/99)		

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Adjustment Report  
Cost Report Period Ended January 31, 1999  
AC# 3-CAR-A9

ADJUSTMENT <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
16	Nonallowable Cost of Capital	63	63
	To adjust capital return State Plan, Attachment 4.19D (This adjustment applies only to the rate period 10/01/99 - 09/30/00)		
17	Cost of Capital Nonallowable	413	413
	To properly state organization and loan cost amortization expense State Plan, Attachment 4.19D		
		<hr/>	<hr/>
	TOTAL ADJUSTMENTS	\$99,273	\$99,273

Due to the nature of compliance reporting, adjustment descriptions and references contained in the preceding Adjustment Report are provided for general guidance only and are not intended to be all-inclusive.



**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**  
 Cost of Capital Reimbursement Analysis  
 For the Cost Report Period Ended January 31, 1999  
 For the Contract Period July 8, 1998 Through September 30, 1998  
 AC# 3-CAR-A9

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>2.1144</u>
Deemed Asset Value (Per Bed)	33,022
Number of Beds	<u>57</u>
Deemed Asset Value	1,882,254
Improvements Since 1981	-
Accumulated Depreciation at 01/31/99	<u>(35,765)</u>
Deemed Depreciated Value	1,846,489
Market Rate of Return	<u>.070</u>
Total Annual Return	129,254
Number of Days in Period	<u>208/365</u>
Adjusted Annual Return	73,657
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	73,657
Depreciation Expense	33,278
Amortization Expense	2,195
Capital Related Income Offsets	(44)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	109,086
Total Patient Days (Actual Days)	<u>9,613</u>
Cost of Capital Per Diem	\$ <u><u>11.35</u></u>

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**  
 Cost of Capital Reimbursement Analysis  
 For the Cost Report Period Ended January 31, 1999  
 For the Contract Periods October 1, 1998 Through January 31, 1999  
 AC# 3-CAR-A9

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>2.1814</u>
Deemed Asset Value (Per Bed)	34,069
Number of Beds	<u>57</u>
Deemed Asset Value	1,941,933
Improvements Since 1981	-
Accumulated Depreciation at 01/31/99	<u>(35,765)</u>
Deemed Depreciated Value	1,906,168
Market Rate of Return	<u>.067</u>
Total Annual Return	127,713
Number of Days in Period	<u>208/365</u>
Adjusted Annual Return	72,779
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	72,779
Depreciation Expense	33,278
Amortization Expense	2,195
Capital Related Income Offsets	(44)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	108,208
Total Patient Days (Actual Days)	<u>9,613</u>
Cost of Capital Per Diem	\$ <u><u>11.26</u></u>

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended January 31, 1999

For the Contract Periods February 1, 1999 Through September 30, 1999

AC# 3-CAR-A9

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>2.1814</u>
Deemed Asset Value (Per Bed)	34,069
Number of Beds	<u>57</u>
Deemed Asset Value	1,941,933
Improvements Since 1981	-
Accumulated Depreciation at 01/31/99	<u>(35,765)</u>
Deemed Depreciated Value	1,906,168
Market Rate of Return	<u>.067</u>
Total Annual Return	127,713
Number of Days in Period	<u>208/365</u>
Adjusted Annual Return	72,779
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	72,779
Depreciation Expense	33,278
Amortization Expense	2,195
Capital Related Income Offsets	(44)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	108,208
Total Patient Days (Minimum 90% Occupancy)	<u>10,670</u>
Cost of Capital Per Diem	\$ <u><u>10.14</u></u>

**CARRIAGE HILLS PLANTATION AND REHABILITATION CENTER, INC.**

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended January 31, 1999

For the Contract Period October 1, 1999 Through September 30, 2000

AC# 3-CAR-A9

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>2.2493</u>
Deemed Asset Value (Per Bed)	35,130
Number of Beds	<u>57</u>
Deemed Asset Value	2,002,410
Improvements Since 1981	-
Accumulated Depreciation at 01/31/99	<u>(35,765)</u>
Deemed Depreciated Value	1,966,645
Market Rate of Return	<u>.063</u>
Total Annual Return	123,899
Number of Days in Period	<u>208/365</u>
Adjusted Annual Return	70,605
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	70,605
Depreciation Expense	33,278
Amortization Expense	2,195
Capital Related Income Offsets	(44)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	106,034
Total Patient Days (Minimum 90% Occupancy)	<u>10,670</u>
Cost of Capital Per Diem	\$ <u><u>9.94</u></u>

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